



Looking Ahead at MassHousing

Housing and Community Development Conference

Tuesday, November 13, 2012

DCU Center Worcester



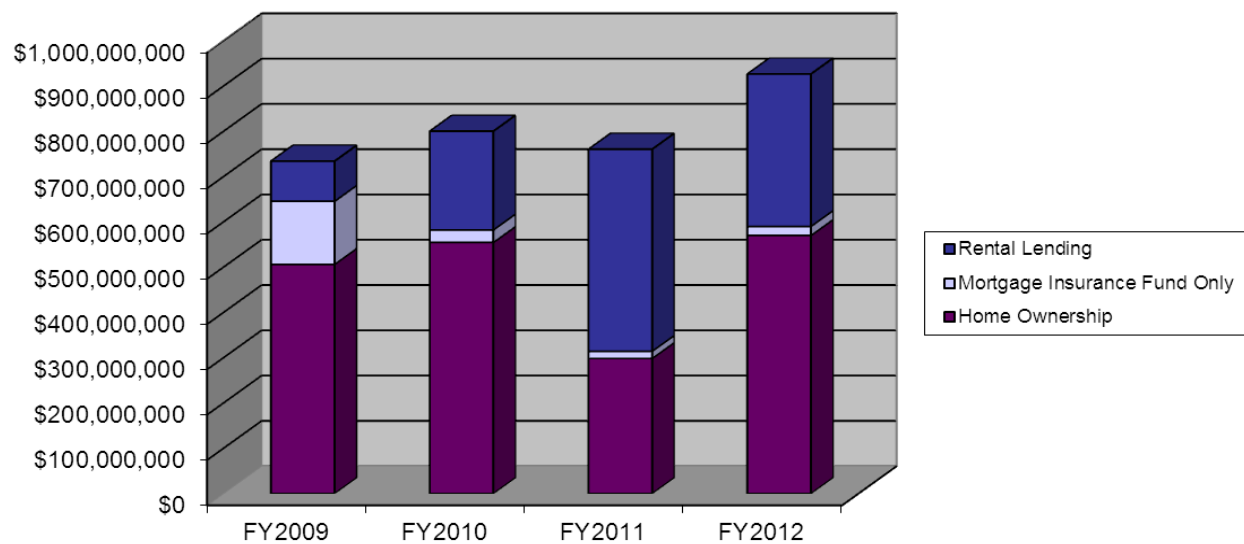
The Home Financing Landscape

- Reduced investor demand for Mortgage Revenue Bonds
- Diminished capacity of the private mortgage insurance industry
- Basel III will be a barrier for portfolio lenders
- Despite desire to limit GSE activity FNMA, FHLMC and GNMA only games in town
 - Much tighter underwriting
 - Higher fees
 - Onerous documentation requirements
- Even with FHFA encouragement PSA market slow to develop



MassHousing Combined Production FY2007 - FY2012

as of 11/5/2012



	FY2009	FY2010	FY2011	FY2012
Home Ownership	\$506,144,397	\$554,540,688	\$298,344,469	\$569,916,480
Mortgage Insurance Fund Only	\$139,409,881	\$27,712,246	\$15,911,900	\$20,068,667
Rental Lending	\$88,507,069	\$217,901,540	\$446,115,296	\$336,511,917
Total All Business Lines	\$734,061,347	\$800,154,474	\$760,371,665	\$926,497,064



MassHousing Homeownership Products

- **Standard FNMA mortgages with HFA preferred pricing and variances (includes MIPlus)**
 - Right Rate for low income borrowers at .25% discount
- **FNMA HFA Risk Share – No MI with HFA preferred pricing and variances**
 - Right Rate No-MI for low income borrowers at .25% discount
- **Fannie Mae Refinance**
- **Fannie Mae DU Refi Plus**
- **MassHousing MRB loans**
 - Purchase-Rehab Loans
- **Second Mortgage Programs**
 - Lead Paint Removal
 - Septic Repair
 - Home Improvement



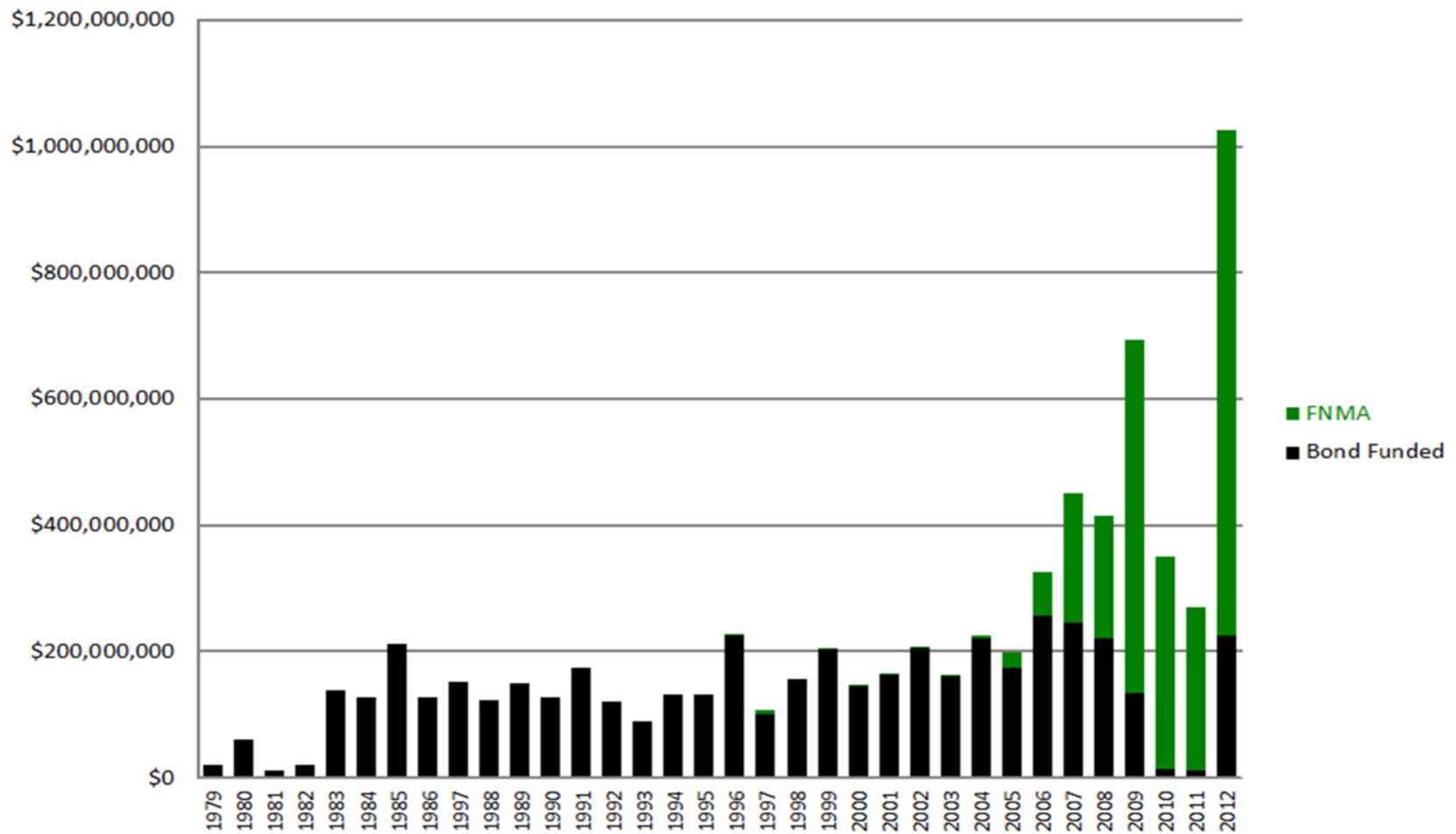
Who we are helping

- **65% of our loans are purchase money mortgages**
 - Average income borrower makes 76% of the area AMI
 - 62% of our borrowers are Low-Income or are buying a home in a Low-Income census tract
 - 31% of our business is in the state's Gateway Cities (does not include Boston)
 - 9% of our business is in Boston

Greatest concentrations in Dorchester, Roxbury, South Boston, Jamaica Plain and East Boston
- **32% of our loans are refinance**
 - Average borrower is saving \$400+ a month on the housing payment
 - Average LTV on straight refinance is 92%
 - Average LTV on DU Refi Plus is 110%
- **3% of our loans are purchase rehab**
 - 80% of all PR loans have come from Gateway Cities



MassHousing Annual Production by Source





	New FHA		MassHousing w/MI		MassHousing No-MI
Loan Amount	\$	200,000.00	\$	200,000.00	\$ 200,000.00
Interest Rate		3.750%		4.000%	4.375%
Up front MI %		1.75%		0%	0%
Up Front MI Finance in \$	\$	3,500.00	\$	-	\$ -
Gross Loan	\$	203,500.00	\$	200,000.00	\$ 200,000.00
Monthly PI	\$	942.44	\$	954.84	\$ 998.58
Monthly MI Rate		1.25%		0.60%	0%
Monthly MI Payment	\$	211.98	\$	100.00	\$ -
Monthly PIMI	\$	1,154.42	\$	1,054.84	\$ 998.58
Difference in Monthly Payment			\$	(99.58)	\$ (155.84)

***96.5% LTV Loan**



The Future

- Focus on products for LMI borrowers and underserved markets
- Continue to work with partner HFA's and Fannie Mae
 - Current agreement runs through December 2013
- Work with NCSHA and other HFA's to explore a new secondary market for HFA originated home loans
- Continue to operate MIF in support of MassHousing Home ownership production
- Leverage MassHousing's financial strength and market reputation to develop new sources of funding for Massachusetts LMI home mortgage borrowers